

## **TESTIMONY**

**Laurel Schreiber, Lucy's Pocket**

**House Small Business Committee; Subcommittee on Investigations and Oversight**

**May 14, 2009**

### **Unintended Consequences of the CPSIA as it Relates to Small Business.**

Mr. Chairman and members of the Committee, thank you for the opportunity to speak to you today about the effects of the CPSIA on small businesses. My name is Laurel Schreiber and have a small home-based business called Lucy's Pocket. I sell monogrammed gifts for children through my web site, on eBay, and at etsy.com

As the CPSIA now stands I - as well as thousands of crafters, seamstresses, artists and others that market safe, handmade items to children under the age of 12 - will be put out of business. It is only through congressional intervention that we will be able to continue building our businesses. As a small business owner I am looking to you to take the lead and re-establish legislation that will allow those of us that have been creating safe items to continue creating them.

As it relates to my business, there are two major and substantial problems with the CPSIA as written:

- **redundant testing requirements**
- **comprehensive labeling requirements**

All of the items I sew onto - or make myself - are made from commercially available textiles, ribbons, threads and other materials. They come from wholesale suppliers as well as retail

stores. A majority of the items I purchase from wholesale suppliers have **General Certificates of Conformity** (GCC) which attest that the items have been tested for lead and/ or phthalates and have passed those tests. I also purchase items from large retail stores that have also tested the products but are unable to provide GCCs.

As the CPSIA now stands, I will have to test each individual item prior to selling it. And though an enforcement stay has been issued for textiles, there is no guarantee it will not be rescinded at some later date. The enforcement stay does not include items with buttons, snaps, zippers or other non-textile parts.

Because I sell one of a kind items, I will need to create two identical items—the wet method used to test for lead destroys the original item. From the testing companies I have contacted - many of whom are located overseas - the cost to me is about \$75 per component. (A component includes fabric and thread and any other material that makes up the product.)

I have brought four samples of my work to illustrate the ramifications and the unintended consequences that the law will have on my business.

One of my most popular items is an appliqued bib and bloomer set. The set contains (at a minimum) 12 components

- four threads
- two dyed fabrics
- a two part Velcro closure on the bib
- elastic
- 100% poly cotton fabric
- 100% terry fabric
- 100% cotton binding

To test those 12 components it will cost me \$900 to prove that the bib and bloomer set does not contain lead. If I use a plastic-backed bib purchased from a retail store then I will need to add an extra \$375 for phthalate testing. Testing costs for a two piece set will range from \$900 to \$1275. It sells for \$20.

I also create monogrammed hairbows - they consist of a metal clip, two types of thread, and ribbon. I have GCCs on file from the importer showing that the clip meets the lead guidelines. Because it contains metal, it does not qualify for the enforcement stay. It will cost at least \$300 to test each bow. It sells for \$5

My third example is a monogrammed bow holder. It consists of one metal ring, 3 types of grosgrain ribbons, thread, and hot glue. It hangs on a wall in a child's room. It is not a toy. Because there is a metal ring it will not currently qualify for the enforcement stay. It will cost \$450 to test. It sells for \$12.

Finally, I create monogrammed headbands. The headband is made of plastic so it must also be tested for phthalates. As with my other items, I have GCCs on file from the importer showing that the headband does not contain the illegal phthalates. To test the four components of the headband (ribbon, 2 types of thread, headband) plus phthalates will cost \$675. It sells for \$9.

**Redundant testing is unnecessary.** The air in my house, the sewing table I work at is not lead infused nor lead filled. Items coming out of my home will not be contaminated with lead.

Sadly, if the redundant testing requirements do not put me out of business—then the **comprehensive labeling mandates** certainly will.

As of this August each and every item going out of my workroom must contain a permanent label that contains information such as the source of the product, the date of manufacture and batch or run number. For a business that creates one of a kind items—and less than 5000 or so a year --

this is an unnecessary hardship. Permanent labels are not technically feasible for many of my items and procuring permanent labeling supplies is an expensive proposition -- and one without a value add to my customers and which does nothing to increase the safety of the product.

I, and many others like me, started creating handmade items as an antidote to mass produced, possibly unsafe toys and clothing originating from China. Many of us have young children - we are very aware of safety concerns relating to lead. But, we use safe products and we create safe items. We are willing to change the methods we use to insure compliance but with the way the law is written we are simply unable to continue building our businesses.

I am asking for consideration. I have written letters, sent faxes, made calls. I want to be safe. I want to be legal. But the unintended consequences of the CPSIA are showing that this will be impossible. I will have to close my doors. And, once I close I will not be supporting my suppliers or other local businesses—all of which qualify as **small businesses**. And they may not be affected hugely by me - but there are a lot of businesses like me out there. So once you start multiplying the effects it becomes overwhelming and will ultimately affect tens of thousands of small businesses across the country.

It saddens me, terrifies me, and disheartens me that my ability to build a business creating safe items for children can be taken away by the **unintended effects of the CPSIA**.

I thank the committee for listening to how the CPSIA affects me—and others like me. I'm happy to answer your questions.